

# Senate Bill 79 Industrial Ordinance and Analysis on Senate Bill 79/Assembly Bill 130 and Historic Resources

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## **City Council**

March 17, 2026

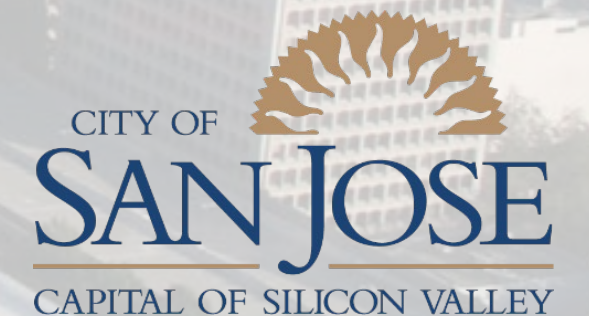
Item 10.2 and 10.3

Chris Burton, Director, Planning, Building, and Code Enforcement

Manira Sandhir, Deputy Director, Planning, Building, and Code Enforcement

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*Planning, Building and  
Code Enforcement*

# Background



Source: <https://www.hcd.ca.gov/about-hcd/newsroom/new-transit-oriented-supportive-housing-opens-san-jose>

**Senate Bill 79 (SB 79)**  
*Signed on October 10, 2025*  
*Effective July 1, 2026*

- Streamlines housing development
- Any site zoned for:
  - Residential
  - Mixed-use
  - Commercial
- Within ½ mile of qualifying transit stops

# City Council Direction SB 79

## City Council Direction (January 27, 2026):

1. **Designate qualifying industrial areas identified in the GP2040 as Employment Areas as ‘industrial employment hubs’ (IEH) and exempt nonresidential sites within those areas from the provisions of SB 79**
2. *Future ordinance to exempt sites with no walking path less than one-mile from the location of the TOD stop based on further analysis.*
3. *Future action to add minimum densities in the downtown core and explore in other growth areas, based on further analysis.*
4. **Analysis of adequacy of CEQA to protect historic resources under SB 79 given new CEQA exemption under AB 130.**

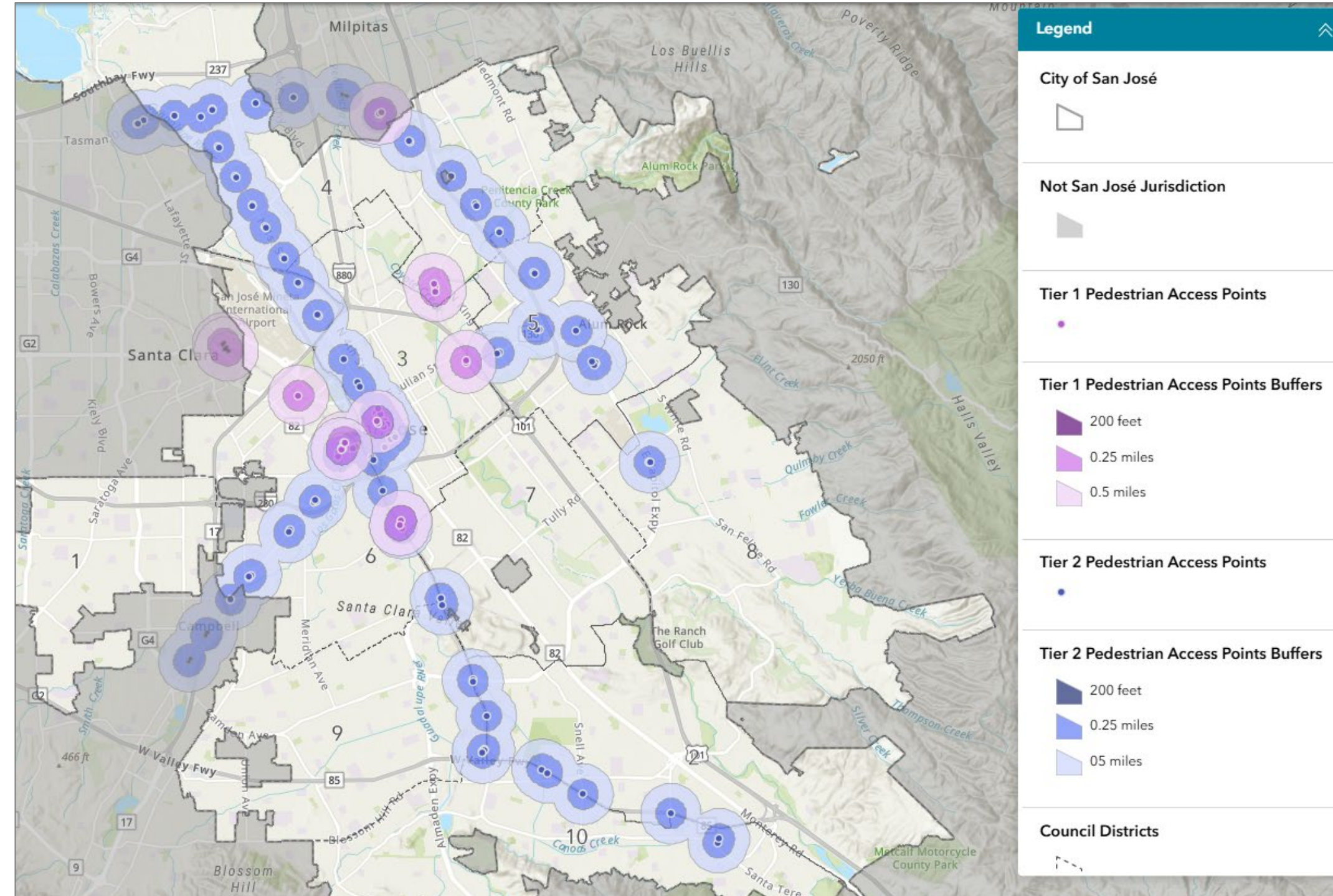


Source: Google Maps Image of Industrial Building in North San Jose, Captured September 2025, retrieved March 4, 2026

# Background

## SB 79 Transit Stops

TOD Stop Tier	Transit Type	Applicability in San José	Number of Current or Future Stations in/adjacent to San José
<b>Tier 1</b>	<ul style="list-style-type: none"> <li>• Heavy Rail Transit</li> <li>• Very High Frequency Commuter Rail (72 trains per day)</li> </ul>	<ul style="list-style-type: none"> <li>• Caltrain (electrified)</li> <li>• BART</li> <li>• Future BART</li> </ul>	<ul style="list-style-type: none"> <li>• 4 Caltrain</li> <li>• 6 BART</li> </ul> <p><i>10 total stations</i></p>
<b>Tier 2</b>	<ul style="list-style-type: none"> <li>• Light Rail</li> <li>• High Frequency Commuter Rail (48 trains per day)</li> <li>• Bus Rapid Transit with dedicated lane</li> </ul>	<ul style="list-style-type: none"> <li>• VTA light rail</li> <li>• Bus Rapid Transit with dedicated lane</li> </ul>	<ul style="list-style-type: none"> <li>• 44 VTA light rail</li> <li>• 2 Bus Rapid Transit</li> </ul> <p><i>46 total stations</i></p>



# Background

## SB 79 Standards

Distance	Tier 1	Tier 2
Adjacent to TOD stop ( <i>within 200 feet of pedestrian access point</i> )	<ul style="list-style-type: none"> <li>• Height: 95 feet</li> <li>• Density: 160 DU/AC</li> <li>• Residential FAR: 4.5</li> </ul>	<ul style="list-style-type: none"> <li>• Height: 85 feet</li> <li>• Density: 140 DU/AC</li> <li>• Residential FAR: 4.0</li> </ul>
¼-mile from TOD stop	<ul style="list-style-type: none"> <li>• Height: 75 feet</li> <li>• Density: 120 DU/AC</li> <li>• Residential FAR: 3.5</li> </ul>	<ul style="list-style-type: none"> <li>• Height: 65 feet</li> <li>• Density: 100 DU/AC</li> <li>• Residential FAR: 3.0</li> </ul>
½-mile from TOD stop	<ul style="list-style-type: none"> <li>• Height: 65 feet</li> <li>• Density: 100 DU/AC</li> <li>• Residential FAR: 3.0</li> </ul>	<ul style="list-style-type: none"> <li>• Height: 55 feet</li> <li>• Density: 80 DU/AC</li> <li>• Residential FAR: 2.5</li> </ul>



Source: 808 West Apartments retrieved March 6, 2026

# SB 79 Industrial Employment Hub Exclusion

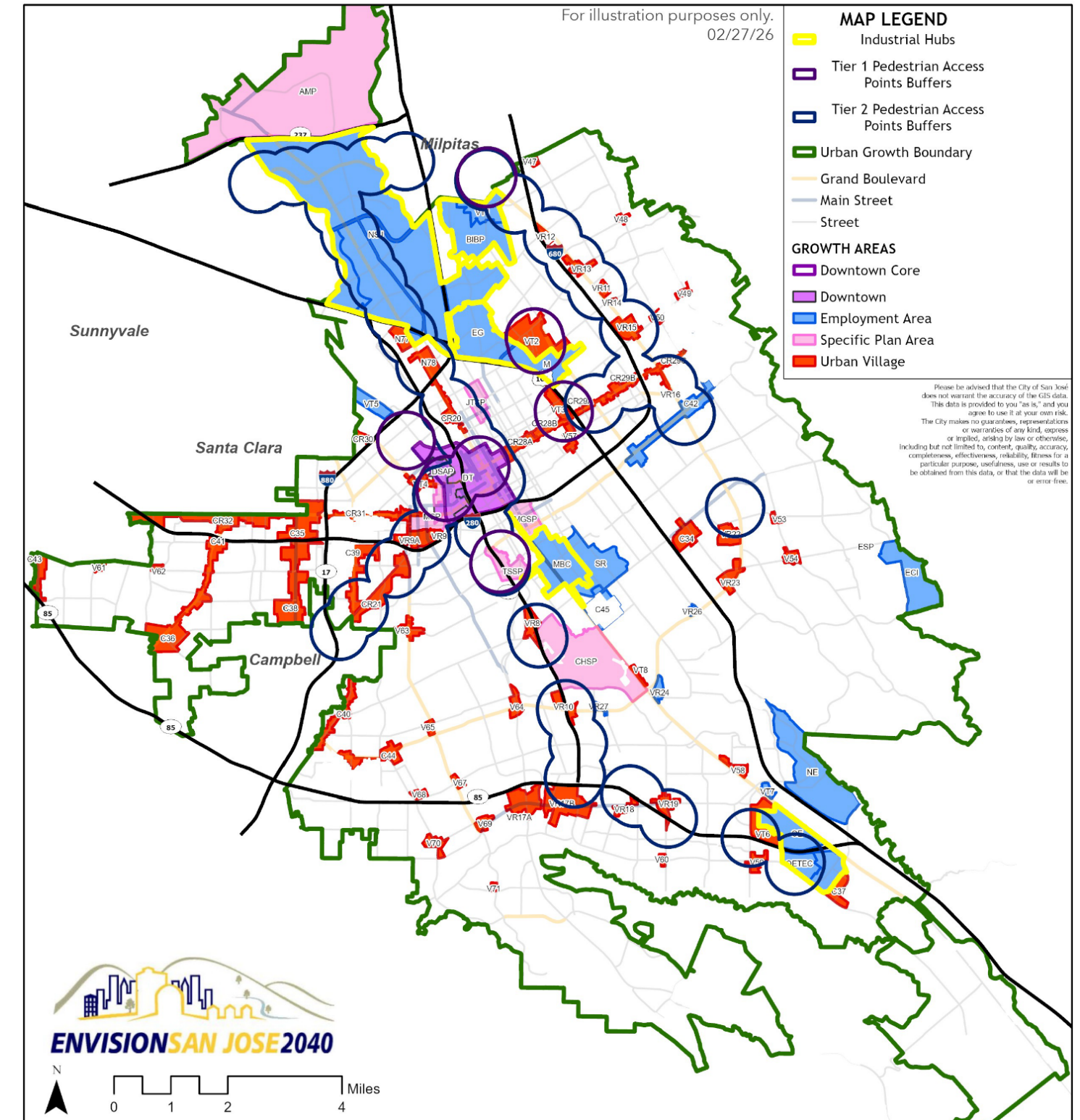
## Gov Code 65912.160 (e)(2)

Exclusion Provision Criteria: at least 250 acres of contiguous employment lands area with parcels primarily dedicated to industrial use

### Name of Employment Lands Area

- 1) North San José
- 2) Berryessa International Business Park, Lundy/Milpitas BART
- 3) East Gish, Mabury
- 4) Monterey Business Corridor
- 5) Old Edenvale, Old Edenvale Transit Employment Center

ENVISION SAN JOSE 2040 GENERAL PLAN  
INDUSTRIAL EMPLOYMENT HUB AREA DIAGRAM



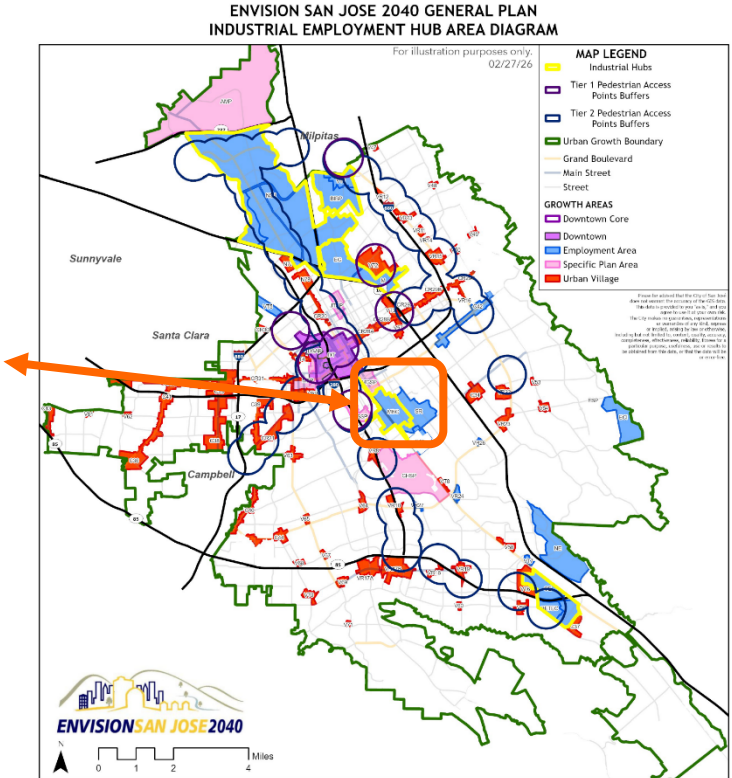
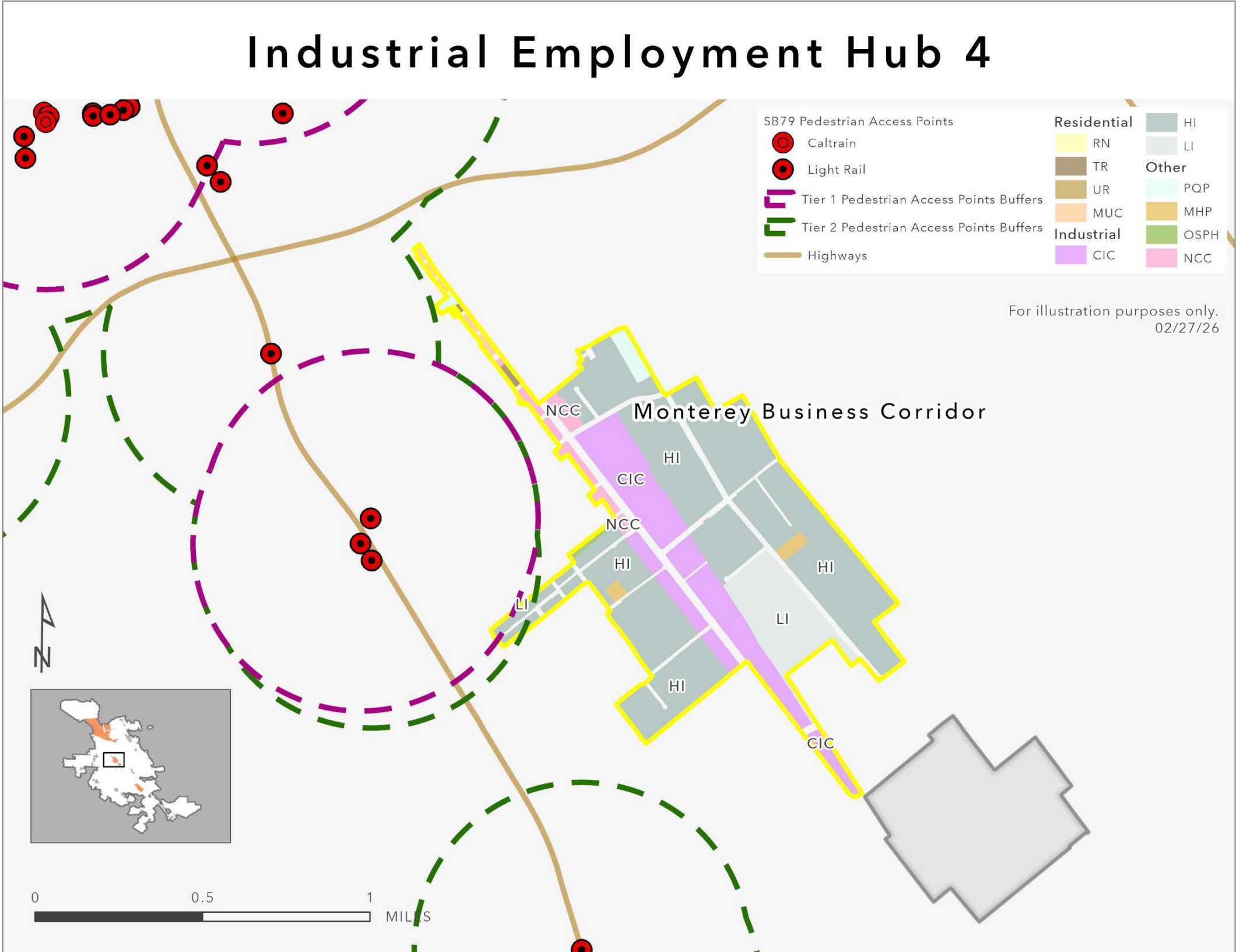
# SB 79 Industrial Employment Hub Exclusion

Identified Employment Area boundaries	Total Parcels	Total Acreage	*Industrial GP		% Industrial GP
			Parcels	Acreage	
<b>1) North San José</b>	2,264	3,206	794	2,335	72.8
<b>2) Berryessa International Business Park/Lundy/Milpitas BART</b>	311	632	298	596	94.2
<b>3) East Gish/Mabury</b>	471	780	401	638	81.8
<b>4) Monterey Business Corridor</b>	414	421	324	388	92
<b>5) Old Edenvale/Old Edenvale Transit Employment Center</b>	678	537	234	491	91.3



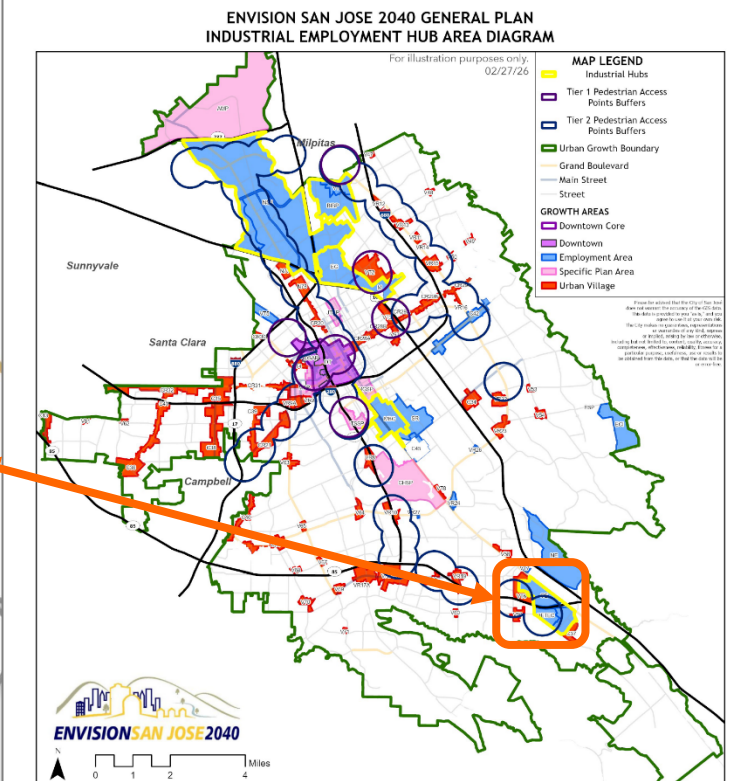
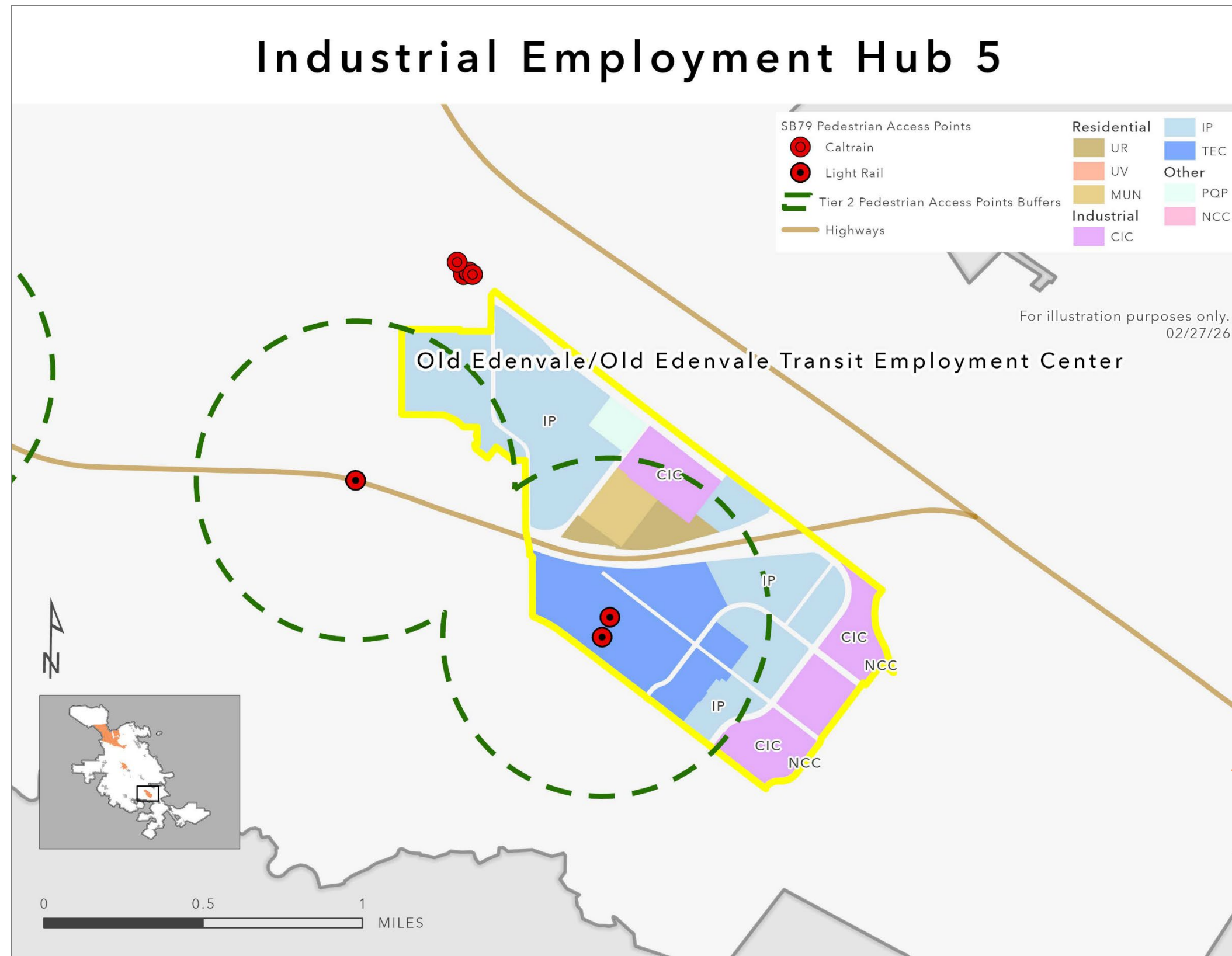
# SB 79 Industrial Employment Hub Exclusion

## Monterey Business Corridor



# SB 79 Industrial Employment Hub Exclusion

## Old Edenvale / Old Edenvale Transit Employment Center



# Industrial Employment Hub Ordinance Timeline

- March 17, 2026 – City Council Hearing
- March 24, 2026 – City Council Second Reading
- March 25, 2026 – Submittal to Department of Housing and Community Development (HCD) for Review (*90 days*)
- April 23, 2026 – Effective Date of Ordinance (*30 days following second reading*)
- **July 1, 2026 – SB 79 Effective Date**

# SB 79 and Historic Resources

- 17 of 56 TOD areas contain designated historic resources.
- Highest concentration of historic resources in downtown.
- Historic resources within TOD areas face new development pressure due to the upzoning provided in SB 79.



# CEQA and AB 130

## Demolition More than 50% – *NOT EXEMPT*

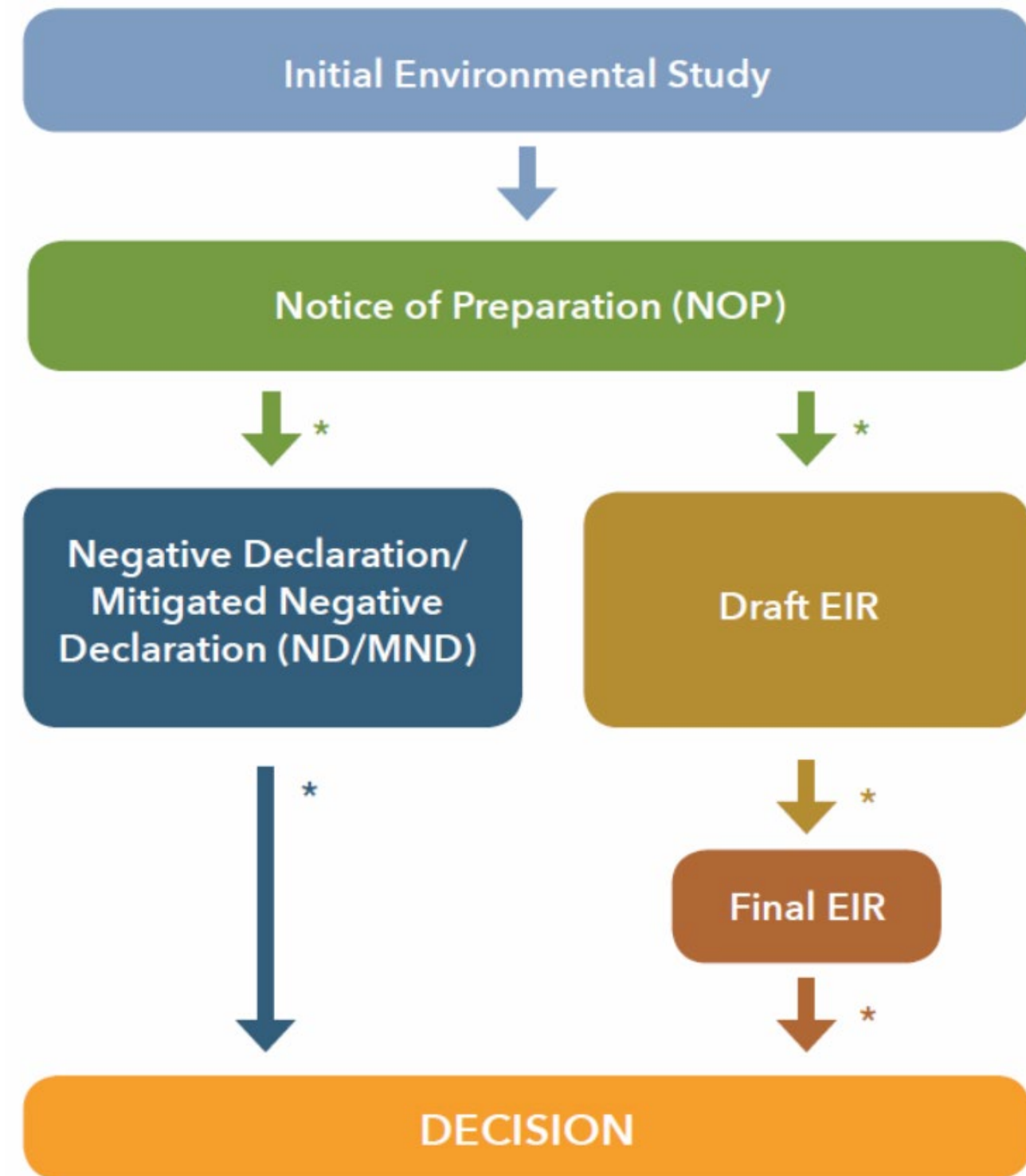


- AB 130 cannot be used to demolish a historic structure
- Demolition Definition - **removal of more than 50% of exterior walls. Does not factor in significant historic features or façade elements.**
- *"Placed on a national, state, or local historic register ....."*

# Implications of Relying on CEQA

CEQA is a potential deterrent but provides no formal protection from demolition or alteration.

Process with procedural requirements to study and disclose impacts, and to mitigate where feasible.



# Significant Alterations - *EXEMPT*

- Significant alterations of historic resources are CEQA exempt under AB 130
- May compromise historic integrity of structure and setting
- No Historic Preservation Permit if not a landmark or landmark district



Example: East Santa Clara Street – National Register Historic District

# Unlisted Eligible Historic Resources - *Exempt*

- Significant properties not listed on the Historic Resources Inventory could be demolished under AB 130
- No CEQA review required so would not identify historic resources

Example: Sakauye Farm House



# Staff Recommendation

## **Add Demolition Definition for Historic Resources**

Direct staff to return to City Council with a draft ordinance adding a definition for “demolition” of historic resources applicable to Assembly Bill 130 projects in Title 20 (Zoning Ordinance) of the San José Municipal Code.

## Additional Option

### **Temporary Exemption Ordinance for Historic Resources**

Adopt an ordinance to temporarily exempt sites from SB 79 with a historic resource designated on a local register as of January 1, 2025 until one year following the adoption of the next Housing Element.

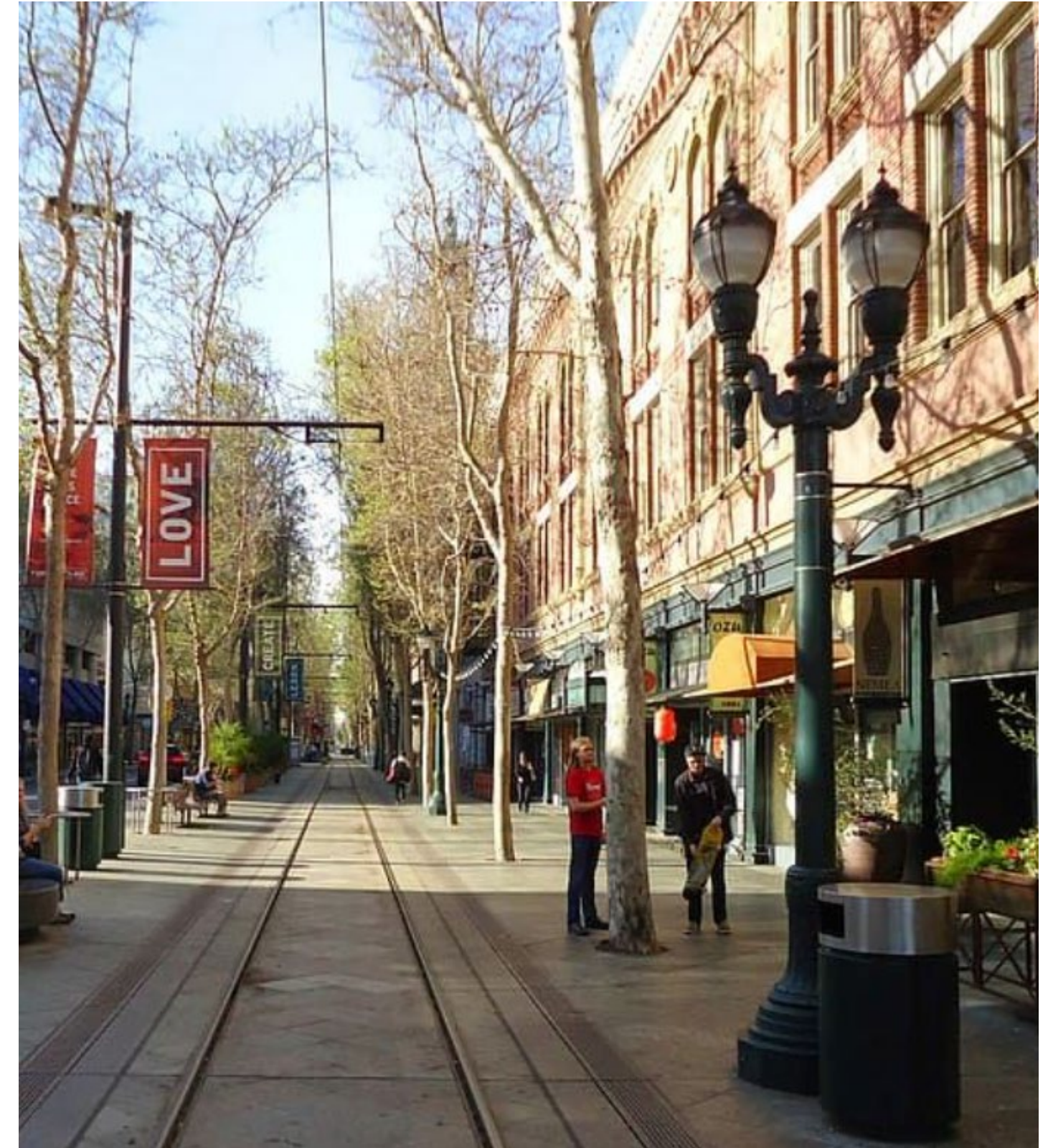
# Additional Options Needing Resource Allocation

## **Alternative Plan**

Develop an alternative plan for TOD areas with a high concentration of historic resources to redistribute housing density.

## **Historic Resources Survey and Historic Resources Inventory Clean Up**

Continue to identify, evaluate, and designate historic properties to proactively plan for their incorporation into the City's growth and development.



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